

FISCAL NOTE

Bill #: SB0424

Title: Transfer state financial institution functions to state auditor

Primary Sponsor: Stapleton, C

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$3,173	\$0
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	(\$3,173)	\$0

<input type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input checked="" type="checkbox"/> Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

State Auditor (SAO) and Department of Administration (DOA)

1. The Banking and Financial Division is currently budgeted in the Department of Administration (DOA).
2. SB 424 will transfer most of the Banking and Financial Division from DOA to the State Auditors Office (SAO).
3. Since the bill is effective October 1, 2005, the budget for the first quarter of FY 2006 will remain in DOA.
4. The remaining budget for FY 2006 and all of FY 2007, along with the 32.50 FTE will be transferred from DOA to SAO, except for \$3,173 in audit fees. There will be a funding switch from special revenue to general fund for the audit fees.
5. DOA will redistribute internal indirect/administrative costs that were initially allocated to the Banking and Financial Institutions Division to the remaining divisions in the amounts of \$35,155 in FY 2006 and \$46,840 in FY 2007.
6. Fixed costs such as desktop services, rent, and messenger services will be reduced in DOA and billed to and paid by the State Auditor's Office.
7. Fixed costs that will not be reduced in DOA include: insurance, warrant writer fees, payroll fees, audit fees, SABHRS Administration fees, and SWCAP. These fixed costs will be reallocated to the remaining divisions in the amounts of \$4,345 in FY 2006 and \$22,655 in FY 2007.

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8. The bill does not move all of the programs in the Banking and Financial Division. Three programs, sales finance licenses, deferred deposit lending, and title loans, established in Title 31, Chapter 1 are not addressed. That portion of the budget associated with these programs will remain in DOA in the amounts of \$198,264 in FY 2006, \$198,264 in FY 2007, along with 2.50 FTE.
9. The bill eliminates the title "Commissioner of Banking and Financial Institutions".
10. The Federal Forest Reserve, which transfers federal forest receipts from timber sales to the appropriate counties, is currently budgeted in the SAO.
11. The 2007 biennium budget for Federal Forest Reserve will be transferred from SAO to DOA.
12. Revenues will match expenditures.

FISCAL IMPACT:**State Auditor's Office**

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
FTE	32.50	32.50

Expenditures:

Personal Services	\$1,440,359	\$2,013,177
Operating Expenses	418,009	578,652
Local Assistance	<u>(12,550,000)</u>	<u>(12,550,000)</u>
TOTAL	(\$10,691,632)	(\$9,958,171)

Funding of Expenditures:

State Special Revenue (02)	\$1,858,368	\$2,591,829
Federal Special Revenue (03)	(\$12,550,000)	(\$12,550,000)

Revenues:

State Special Revenue (02)	\$1,858,368	\$2,591,829
Federal Special Revenue (03)	(\$12,550,000)	(\$12,550,000)

Department of Administration

FTE	(32.50)	(32.50)
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Expenditures:

Personal Services	(\$1,440,359)	(\$2,013,177)
Operating Expenses	(418,009)	(578,652)
Local Assistance	<u>12,550,000</u>	<u>12,550,000</u>
TOTAL	\$10,691,632	\$9,958,171

Funding of Expenditures:

General Fund (01)	\$3,173	\$0
State Special Revenue (02)	(\$1,858,368)	(\$2,591,829)
Federal Special Revenue (03)	\$12,550,000	\$12,550,000

Revenues:

State Special Revenue (02)	(\$1,858,368)	(\$2,591,829)
Federal Special Revenue (03)	\$12,550,000	\$12,550,000

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(continued)

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$3,173)	\$0
State Special Revenue (02)	\$0	\$0
Federal Special Revenue (03)	\$0	\$0

TECHNICAL NOTES:

1. The bill is effective October 1, 2005. An effective date of July 1, 2005 would coincide with the state fiscal year.